

**IOI CORPORATION BERHAD**  
Company Registration No. 196901000607 (9027-W)  
(Incorporated in Malaysia)

Minutes of the Fifty-Fourth Annual General Meeting ("54th AGM" or the "Meeting") of IOI Corporation Berhad (the "Company" or the "Group") held physically at Millennium Ballroom 1 (Level 1), Le Méridien Putrajaya, Lebuhraya IRC, IOI Resort City, 62502 Putrajaya, Malaysia ("Meeting Venue") and by way of electronic means using Remote Participation and Electronic Voting ("RPEV") facilities hosted at <https://conveneagm.my/ioicorpagm2023> (Domain Registration No. D6A475992) on Friday, 27 October 2023 at 10:00 a.m. (Malaysia time)

- Present : **Board of Directors (the "Board") present at the Meeting Venue**  
**Tan Sri Peter Chin Fah Kui ("Tan Sri Peter Chin" or the "Chairman")**  
**Tan Sri Dr Rahamat Bivi binti Yusoff \***  
**Dato' Lee Yeow Chor**  
**Mr Cheah Tek Kuang**  
**Dr Nesadurai Kalanithi**  
**Dato' Kong Sooi Lin**  
**Mr Lim Tuang Ooi**  
**Datuk Zurinah binti Pawanteh**
- Absent with : **Mr Lee Yeow Seng**  
apologies
- Participated via : **Shareholders, Corporate Representatives and Proxies**  
RPEV facilities **As per the attendance summary**  
at ConveneAGM  
Meeting Platform
- By invitation : **List of invitees as per attendance list**
- In attendance : **Mr Tan Choong Khiang (Company Secretary)**

\* Via video conferencing

## **1.0 INTRODUCTION**

Tan Sri Peter Chin, the Chairman of the Board chaired the Meeting and welcomed all the shareholders, corporate representatives, proxies and invitees to the hybrid 54th AGM of the Company. The Chairman thanked them for their participation and continuous support to the Company.

The Chairman informed that the conduct of this hybrid Annual General Meeting ("AGM") was in compliance with Section 327 of the Companies Act 2016 and Article 70 of the Company's Constitution, as well as the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia. He also explained that the Board had decided to conduct it both physically and virtually to facilitate effective engagement with shareholders.

The Chairman then briefed the shareholders, corporate representatives and proxies of the conduct of the hybrid AGM.

The Chairman proceeded to introduce the members of the Board, the Group Chief Financial Officer ("Group CFO"), the Company Secretary and the representatives from the External Auditors of the Company, BDO PLT ("BDO"). The Meeting noted that Mr Lee Yeow Seng, a Non-Independent Non-Executive Director of the Company had conveyed his apologies for not being able to attend the Meeting due to another commitment.

## **2.0 QUORUM**

The Company Secretary advised that pursuant to the Article 65 of the Company's Constitution, the quorum necessary for the transaction of business at a general meeting shall be 2 members present personally or by proxy or by corporate representative entitled to vote. He then confirmed the presence of the requisite quorum pursuant to the Company's Constitution at the commencement of the Meeting.

With the requisite quorum being present, the Chairman called the Meeting to order.

## **3.0 NOTICE**

The notice convening the Meeting dated 29 September 2023, having been circulated to the shareholders and published within the stipulated timeframe, was taken as read.

## **4.0 MEETING AND VOTING PROCEDURES**

The Chairman informed that in accordance with Paragraph 8.29A of the Listing Requirements of Bursa Malaysia, all the resolutions to be tabled at this Meeting would be voted on by poll. He then exercised his right pursuant to Article 73 of the Company's Constitution and demanded for a poll to be taken on all the resolutions tabled.

The Chairman also informed that in his capacity as Chairman of the Meeting, he had been appointed as proxy by some shareholders and hence, would be voting in accordance with the instructions of the respective shareholders.

The Meeting noted that the Company had appointed KPMG Management & Risk Consulting Sdn Bhd as its Administration and Polling Agent to facilitate the electronic poll voting, while SKY Corporate Services Sdn Bhd had been appointed as the Independent Scrutineers to validate the poll results.

The representative of the Administration and Polling Agent then conducted a presentation on the polling procedure and the functions available within the ConveneAGM meeting portal. After the said presentation, the Chairman announced the commencement of the voting session to allow shareholders and proxies to cast their votes during the Meeting proceedings.

## **5.0 GROUP CFO'S PRESENTATION**

At the invitation of the Chairman, the Group CFO, Mr Kong Kian Beng gave a brief presentation on the overall performance of the Group for the financial year ended 30 June 2023 ("FY2023") covering the following key areas, details of which were presented in Appendix I:-

- a) Group Financial Performance Overview
- b) Segmental Profit
  - Plantation Segment
  - Resource-based Manufacturing Segment
- c) Balance Sheet
- d) Capital Expenditure
- e) Equity Repayments

It was reported that:-

- The Group's revenue for FY2023 decreased by 26% to RM11.58 billion as compared to RM15.58 billion in the financial year ended 30 June 2022 ("FY2022") from all segments, due primarily to lower commodity prices and lower sales volume as a result of slower global demand.
- The Group's profit before tax ("PBT") for FY2023 decreased by 35% to RM1.53 billion as compared to RM2.35 billion in FY2022. The underlying PBT excludes fair values and non-operating items, saw a 31% decrease to RM1.76 billion in FY2023 from RM2.55 billion in FY2022, due to lower earnings from the plantation segment and mitigated by higher profit in the resource-based manufacturing segment.
- Profit after tax of the Group decreased by 36% to RM1.13 billion in FY2023 as compared to RM1.77 billion in FY2022.
- Earnings per share of the Group decreased to 17.95 sen in FY2023 from 27.74 sen in FY2022.
- The plantation segment accounted for 63% of the total segment profit in FY2023, a decrease from 78% in FY2022, while the resource-based manufacturing segment contributed 37%, compared to 21% in FY2022.
- Segment profit from the plantation segment decreased by 45% to RM1.15 billion in FY2023 from RM2.08 billion in FY2022, due mainly to lower commodity prices, higher cost of production and lower share of associates results as impacted by lower commodity price.
  - In FY2023, average realised crude palm oil ("CPO") price dropped to RM4,118 per metric tonne ("MT") (FY2022: RM4,688 per MT), while average realised palm kernel ("PK") price decreased to RM2,233 per MT (FY2022: RM3,593 per MT).
  - FFB production in FY2023 remained at 2.7 million MT (FY2022: 2.7 million MT).
- Segment profit from the resource-based manufacturing segment increased by 29% to RM691.0 million in FY2023 from RM537.3 million in FY2022. Excluding fair values and non-operating items, the resource-based manufacturing segment enjoyed higher underlying profit of RM749.1 million in FY2023 from RM560.6 million in FY2022, mainly due to higher margins from the refining sub-segment. It was partially offset by lower margins from the oleochemical sub-segment.
- The Group's FY2023 financial position remained strong, with high level of liquidity in cash and cash equivalents of RM2.2 billion and low net gearing ratio of 0.14% which was an improvement in FY2023.
- Capital expenditure increased by 39% to RM621.2 million in FY2023 (FY2022: RM445.5 million), because of the higher replanting and new planting costs due to higher planting area, higher expenditure on mechanisation and digitalisation, completion of construction of IOI Palm Wood factory. In FY2023, the Group had also made an investment of RM114 million in a refinery in the United States through the Company's 20%-owned associate, Bunge Loders Croklaan Group BV ("BLC").
- Total dividends declared during FY2023 was 11 sen per share amounting to RM682.6 million. The Group had also spent RM34.4 million on share buy backs conducted during FY2023 at an average purchase price of RM3.71 per share.

## **6.0 SUSTAINABILITY PRESENTATION**

Upon conclusion of the Group CFO's presentation, the Chairman invited the Group Head of Sustainability, Dr Surina Binti Ismail ("Dr. Surina") to present on IOI's Sustainability Journey Forward, details of which were presented in Appendix II:-

- a) Vision, Pillars and Approach to Sustainability
- b) Integration of Corporate Governance
- c) Environmental Management Policies and Guidelines
- d) Alignment with Task Force on Climate-Related Financial Disclosures (TCFD) and Science Based Targets initiative's Forest, Land and Agriculture (SBTi FLAG) – Pathway to Net Zero by 2040
- e) Mitigating Social Issues – Social Impact Assessment
- f) Initiatives to Help Prevent Forced and Child Labour

The Meeting noted the following points:-

- The Sustainability Vision of the Company is to meet the needs of the present without compromising that of the future generations by:
  - Committing to protect, rehabilitate and preserve the environment where we live in;
  - Ensuring that the economic, social wellbeing and health of our employees and families as well as the wider communities are safeguarded; and
  - Leading and innovating as well as embedding sustainability into our business.

The Company is committed to Corporate Sustainability and has adopted a 3-pillar approach (3Ps): People, Planet, and Prosperity.

- The Group Sustainability Steering Committee led by the Group Managing Director and Chief Executive ("GMD") now reports to the Board Sustainability Committee, which was established in FY2023 to assist the Board to oversee Environmental, Social, and Governance ("ESG") matters of the Group.
- The Group's Biodiversity and Ecosystem Enhancement Guideline has been updated to include enhancement of biodiversity and ecosystem as the final step. The Guideline encompasses the following steps:-
  1. Identification of biodiversity and conservation value areas
  2. Execution and management
  3. Threat monitoring and crisis management
  4. Impact, evaluation, mitigation, protection and enhancement
- The Company is committed to climate change mitigation and has set ambitious targets to reduce its greenhouse gas emissions ("GHG"). In the short term, the Group aims to achieve a 40% reduction in Scopes 1 and 2 GHG emissions against 2015 carbon intensity emissions by 2025. In the mid-term, the Group aims to achieve carbon neutrality for Scopes 1 and 2 by 2030 through innovation, rehabilitation, and sequestration. In the long term, the Group aims to achieve Net Zero for Scopes 1, 2, and 3 by 2040 by utilising 3 basis approaches, i.e. Nature-based Solutions, Engineered Solutions and Supply Chain Management.
- In terms of social issues, the Company conducts the Social Impact Assessment ("SIA") covering 4 areas such as labour rights, employment processes, children's and women's rights, and the rights of local communities.

- Through the Digital Transformation Programmes, the Company implements the following initiatives to prevent forced and child labour:-
  - Implementation of the SAP ERP system to standardise wages, working hours/overtime, headcounts, and employment status to help prevent forced and child labour.
  - The Digital Grievance Application, i.e. IOI Mesra allows workers to anonymously report any concerns they may have.
  - The Direct Online Interview during recruitment process help combat forced labour indicators during recruitment in the source country.
  - Online Assessment for Pre-alert Grievance System bridges gaps in worker welfare and well-being.
  - Digital E-wallet System for Money Transfer has provided systematic salary disbursement to workers through digital banking platform.
  - The Child Education Initiative and Pledge to International Labour Organization (ILO) 2021 have been made in conjunction with the 2021 International Year for the Elimination of Child Labour. The Group has ongoing initiatives to counter child labour, such as the Zero Cost Full Day Education for workers' children in Sabah.

Upon conclusion of Dr Surina's presentation, the Chairman proceeded with the agenda of the 54th AGM.

#### **7.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed the Meeting that the Audited Financial Statements ("AFS") for FY2023 and the Reports of the Directors and Auditors thereon were laid in accordance with Section 340(1) of the Companies Act 2016 for discussion only, as formal approval of shareholders was not required for the AFS.

The Chairman then directed the shareholders to the summary of the Group's financial overview and performance highlights for FY2023 set out on pages 54 to 62 of the Annual Report 2023 ("AR2023"). Further details of the Group Financial and Business Review were outlined on pages 64 to 75 of AR2023.

#### **8.0 RETIREMENT OF DIRECTORS**

The Chairman announced that Mr Cheah Tek Kuang ("Mr Cheah") and Tan Sri Dr Rahamat Bivi binti Yusoff ("Tan Sri Dr Rahamat"), the Independent Non-Executive Directors of the Company would be retiring from the Board upon conclusion of this Meeting.

Mr Cheah had been a valuable member of the Board for the past 11 years as a member of the Audit and Risk Management Committee ("ARMC"), as well as a past Chairman of the Governance, Nominating and Remuneration Committee ("GNRC"). The Board and senior management team had benefited greatly from Mr Cheah's objective advice and views throughout his tenure with the Board.

As for Tan Sri Dr Rahamat, she would be retiring by rotation from the Board pursuant to Article 91 of the Company's Constitution. She had informed the Board that she does not wish to seek re-election at this AGM. During her tenure with the Board for the past 6 years, she has discharged her duties faithfully, as a member of the ARMC as well as the existing Chairman of the GNRC.

**9.0 RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO ARTICLE 97 OF THE COMPANY'S CONSTITUTION - ORDINARY RESOLUTIONS 1 AND 2**

The Chairman informed that the second item on the agenda was in relation to the re-election of Mr Lim Tuang Ooi ("Mr Lim") and Datuk Zurinah binti Pawanteh ("Datuk Zurinah") as Directors of the Company, who retired in accordance with Article 97 of the Company's Constitution and being eligible, had offered themselves for re-election under the following ordinary resolutions:-

- (a) Ordinary Resolution 1 – Mr Lim
- (b) Ordinary Resolution 2 - Datuk Zurinah

The Chairman further informed that Mr Lim's and Datuk Zurinah's profiles were set out on pages 82 and 83 of AR2023 respectively. Both Mr Lim and Datuk Zurinah had undergone the relevant performance evaluation, including a "fit and proper" assessment for the financial year under review. Upon assessment by the GNRC, both Mr Lim and Datuk Zurinah were found to have remained committed to their role and continued to be effective and valuable members of the Board.

**10.0 RE-ELECTION OF DIRECTOR RETIRING BY ROTATION PURSUANT TO ARTICLE 91 OF THE COMPANY'S CONSTITUTION - ORDINARY RESOLUTION 3**

The Chairman informed that the third item on the agenda was in relation to the re-election of Dato' Lee Yeow Chor ("Dato' Lee") as a Director of the Company, who retired by rotation in accordance with Article 91 of the Company's Constitution and being eligible, had offered himself for re-election.

The Meeting noted that Dato' Lee had undergone the relevant performance evaluation including a "fit and proper" assessment for the financial year under review. Upon assessment by the GNRC, Dato' Lee was found to have demonstrated his effectiveness and value as a member of the Board, and that he continued to show his commitment to his role. Dato' Lee's profile was set out on page 79 of the AR2023.

**11.0 DIRECTORS' FEES FOR FINANCIAL YEAR ENDING 30 JUNE 2024 - ORDINARY RESOLUTION 4**

The fourth item on the agenda was to seek approval from the shareholders on the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,450,000 for the financial year ending 30 June 2024 ("FY2024"), payable quarterly in arrears after each month of completed service of the Directors during the financial year.

The Meeting noted that the proposed fees included the amount payable to members of the Board Sustainability Committee, which was newly established in June 2023. Given that the fees receivable by the Board Sustainability Committee members were not contemplated during the previous AGM, the Board would like to seek shareholders' approval at this Meeting on this amount, in addition to the proposed fees for all Directors for FY2024.

The Chairman further informed that the fee structure was disclosed on page 100 of AR2023 under the Corporate Governance Overview Statement.

**12.0 DIRECTORS' BENEFITS FOR THE PERIOD FROM 28 OCTOBER 2023 UNTIL THE NEXT AGM - ORDINARY RESOLUTION 5**

The Chairman informed the Meeting that the fifth item on the agenda was to seek approval from the shareholders on the payment of Directors' benefits (other than Directors' fees) of up to RM280,000 for the period from 28 October 2023 until the next AGM of the Company. The Directors' benefits comprised mainly the meeting allowances, insurance coverage and the Independent Non-Executive Directors' golf privilege benefit.

**13.0 RE-APPOINTMENT OF AUDITORS - ORDINARY RESOLUTION 6**

The Chairman proceeded to the sixth item on the agenda, which was to seek approval from the shareholders on the re-appointment of BDO as Auditors of the Company for FY2024 and to authorise the Directors to fix their remuneration.

The Meeting noted that this resolution was proposed based on the ARMC's recommendation, having been satisfied with the results of the annual assessment of BDO. BDO had also expressed their willingness to continue in office.

**14.0 AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES UNDER THE COMPANIES ACT 2016 - ORDINARY RESOLUTION 7**

The Chairman informed the Meeting that the proposed Ordinary Resolution 7 under item 7.1 of the agenda was to seek renewal of a general mandate, of which if passed, would empower the Directors to issue and allot shares of not more than 5% of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.

The Meeting was further informed that Ordinary Resolution 7 was also to seek shareholders' approval for the Company's disapplication of statutory pre-emption rights under the Section 85 of the Companies Act 2016, to enable the Company to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

The Chairman also highlighted that the Company did not issue any new shares pursuant to Sections 75 and 76 of the Companies Act 2016 under the general mandate approved by the shareholders at the last AGM of the Company.

**15.0 PROPOSED RENEWAL OF EXISTING SHARE BUY-BACK AUTHORITY - ORDINARY RESOLUTION 8**

The Chairman informed the Meeting that the proposed Ordinary Resolution 8 under item 7.2 of the agenda was to seek renewal of the authority for the Company to purchase up to 10% of the total number of issued shares of the Company ("Proposed Renewal of Existing Share Buy-Back Authority"). The details of the Proposed Renewal of Existing Share Buy-Back Authority were stated in Part A of the Circular to Shareholders dated 29 September 2023.

**16.0 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE - ORDINARY RESOLUTION 9**

The Chairman informed the Meeting that item 7.3 of the agenda was to seek renewal of the existing shareholders' mandate for the recurrent related party transactions of a revenue or trading nature which were necessary for day-to-day operations involving the interests of Directors, major

shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries ("Proposed Renewal of Shareholders' Mandate").

The Chairman informed that the details of the Proposed Renewal of Shareholders' Mandate were set out in Part B, Section 12 of the Circular to Shareholders dated 29 September 2023. The interested Directors, interested major shareholders and persons connected to them as detailed therein would abstain from voting on Ordinary Resolution 9.

#### **17.0 ANY OTHER BUSINESS**

The Meeting noted that no notice had been received from the shareholders to transact any other business at the Meeting.

#### **18.0 QUESTIONS AND ANSWERS ("Q&A") SESSION**

Having tabled all the items on the agenda for consideration, the Chairman announced the opening of the Q&A session. He informed that the Company had received a letter from the Minority Shareholders Watch Group ("MSWG") prior to the 54th AGM. Dato' Lee, the GMD of the Company was then invited to present the Company's responses to MSWG's questions, as follows:-

##### **Questions from MSWG and the Company's Responses**

##### **Operational and Financial Matters**

- Q1. The Group initiated a Five-Year Plan in March 2020, now in its fourth year, where the first priority is to increase plantation oil yield by at least 15% by the end of 2024 (page 20 of AR2023). The labour shortage also caused a delay in the Group's fertilising, milling and transportation activities. As a result, the CPO production output was affected which led to lower oil yields (page 65 of AR2023).

Given the delay in fertilising of the Group's plantations and the potential effects of El Niño phenomenon, is the target to increase plantation oil yield by at least 15% by the end of 2024 still achievable?

##### **Response from the Company**

*The target to increase plantation oil yield by at least 15% by the end of 2024 from 2020 CPO production level would be challenging, in view that the Group is catching up on replanting of past prime trees in Sabah due to the severe labour shortage in the past 2 years, as well as in view of the impending El Niño phenomenon which would negatively affect the Group's oil yield.*

- Q2. The Group's second strategic priority centres on reduction of its plantation workforce by increasing the land to worker ratio through implementation of various estate mechanisation and digitalisation initiatives (page 20 of AR2023).

As the Group is accelerating its digitalisation and mechanisation plans to progressively reduce its dependency on manual workers (page 69 of AR2023), what would be the ideal manual workers workforce size for optimal fresh fruit bunch ("FFB") production?



**Response from the Company**

*The Group is determined to achieve the target of an optimal land-to-worker ratio of 10 hectares to 1 worker, primarily through digitalisation, automation, and mechanisation initiatives. At this moment, the Group has successfully implemented on approximately 80% of its total planted area with Mainline Mechanised FFB evacuation employing grabber technology.*

*Despite the intensified mechanisation, the Group's current land-to-worker ratio which stands at approximately 8.5 hectares to 1 worker remains relatively low as the Group still requires a higher workforce to address the backlog of tasks accumulated during the period of severe worker shortage and these includes catching up on activities such as replanting, maintenance of immature palms, pruning and weeding, etc.*

*The Group would be able to achieve the optimal target of 10 hectares to 1 worker once the Group has completed all pending backlog tasks as mentioned above.*

- Q3. The Group's new 110,000 MT/year capacity fatty acid plant in Prai, Penang and state-of-the-art soap noodles plant in Pasir Gudang, Johor started commissioning in the second quarter of 2023. This new fatty acid plant has increased the Group's oleochemical production capacity by about 14% from 780,000 MT/year to 890,000 MT/year (page 21 of AR2023).

To what extent has the Group's new fatty acid and soap noodles plants capacity been taken up?

**Response from the Company**

*The Group's total production volume for oleochemical segment had not increased materially despite the higher capacity due to muted demand as a result of the weaker global economic environment. Nevertheless, the Group had partly switched utilisation of the Group's older plants to the new fatty acid and soap noodles plant which was much more efficient to achieve a lower production cost and higher flexibility to customise based on customers' product requirements.*

The Meeting then proceeded to the questions submitted by the shareholders and proxies. Questions submitted prior to the date of the 54th AGM were addressed first, followed by questions received via the RPEV facilities and from the floor. With the Chairman's consent, the GMD addressed the questions raised and the responses were summarised as follows:-

**Questions from shareholders and proxies and the GMD's Responses**

**Pre-submitted questions**

- 1) Do you intend to grow IOI Oleochemicals eventually into the size of, say, Arkema S.A., globally?

**Response from the Company**

*Currently, 40% of our ester plant capacity in Germany is allocated for pharmaceutical products, while 30% is allocated for personal care and cosmetic products. Over 20 patents have been filed by the Group for such pharmaceutical products.*

*The Group's emphasis is not on size of operations, but on profitability and margins through production of high-value products. For one, production and sale of specialised esters could fetch nearly 10 times more than those of basic oleochemical fatty acids in terms of margins.*

- 2) (a) Considering the current hybrid working and the constraints for some of the shareholders residing away from the Klang Valley area, I do hope IOI Corporation could review the terms, and issue e-vouchers to all shareholders, regardless of whether he/she is physically attending Annual General Meeting or not.
- (b) Any door gifts for shareholders?
- (c) Please give us some door gifts/e-vouchers/e-wallet for attending this RPV as a token of appreciation. Why is the Company only giving e-vouchers to shareholders and proxies attending the meeting physically and not giving any to those attending virtually? This is very unfair as we are also shareholders of the Company and we also incur cost to attend the virtual AGM. I would like to suggest that the Company give e-vouchers to only shareholders attending virtually and not proxies. Hope the Board would consider my suggestion favourably.

**Response from the Company**

*The GMD mentioned that these questions have been answered in the Chairman's explanation on the conduct of the Meeting.*

- 3) Fresh fruit bunch yields have been declining for the past 5 years; notwithstanding the efforts to fix the age profile of the oil palm trees, what steps has the Company taken to address declining yields?

**Response from the Company**

*The GMD requested that the response to this question be referred to the answer provided for the first question posed by MSWG.*

- 4) Considering that fertiliser costs have declined versus the previous year, what is IOI's costs projections for FY2024 vs FY2023 in terms of RM per mature hectare?

**Response from the Company**

*Fertiliser costs had indeed risen during the period before FY2023, which in turn also pushed production costs up. Nevertheless, we foresee that production costs per MT would reduce from RM2,500 in FY2023 to below RM2,200 per MT.*

- 5) What is the overall current level of mechanisation for the estates and how has it helped in achieving the Company's ideal man-to-land ratio?

**Response from the Company**

*The GMD requested that the response to this question be referred to the answer provided for the second question posed by MSWG.*

- 6) How successful has the Company been in recruiting local workers to work at the estates and whether there is a percentage target to be achieved by end of FY2024?

**Response from the Company**

*The Company had encountered challenges in recruiting local workers, particularly in Sabah where it is difficult to differentiate between locals and foreigners. As of to-date, the Group had only managed to hire about 300 local workers in Peninsular Malaysia. No specific percentage target was set for FY2024 as there was not much success in hiring local workers despite having taken substantial efforts such as offering higher allowances to attract local workers.*

- 7) On page 35 of AR2023, IOI plans to replace the natural gas supply with oil for downstream plants whilst embarking on efficiency projects to combat rising costs. Considering that oil has higher emissions than natural gas, what is the net change in IOI's carbon intensity post-change in energy supply and efficiency projects and whether this is aligned with IOI's Net-Zero target?

**Response from the Company**

*The replacement of natural gas with oil was a contingency plan for the German operations in light of the ongoing Russia-Ukraine war. With nearly 60% of natural gas supply in Germany disrupted due to the war, concerns arose regarding potential price increases and reduced availability. However, the contingency plan was not activated as natural gas price did not rise as high as anticipated, and the winter months turned out to be milder than usual.*

*As the replacement of the natural gas supply was not intended for its original purpose, the initiatives to minimise GHG emissions remain on track. The Management is well aware of the need to minimise GHG emissions in order to be able to achieve the Net Zero target by 2040.*

**Questions submitted via RPEV facilities**

- 1) As the ESG inflation is happening now, how will the Company overcome this issue?

**Response from the Company**

*The Group has a well-structured plan to address ESG issues in view that the Group had embarked its ESG journey 28 years ago since 1995.*

- 2) Please explain the key factors affecting our company's growth and profitability both positively and negatively and how and with what initiatives have our Company taken to negate the adverse effects of geo-politics, climate change and labour shortage and skill issues?

**Response from the Company**

*A positive factor contributing to the Group's growth and profitability is the cultivation of young oil palms with high oil extraction rate, and the Group had improved its replanting practices as well. While CPO prices may not be exceptionally high, but still reasonably good and significantly surpass historical levels. On the downside, the cost of production has increased, and there are still older oil palms that require an additional 3 years to complete the replanting process.*

*Palm oil for food is generally less affected by geo-political factors in view that global food demand is generally resilient and food prices have in fact increased. On the other hand, climate change, especially incessant raining in Sabah and the El Nino phenomenon, poses a significant threat to palm oil production for the Group. The Group has taken several measures to mitigate the impacts of climate change.*

*Addressing the challenges of labour shortage and skill issues, the Group has already initiated various measures to prevent mistreatment of workers and to promote labour rights. This includes investing in maintenance of nearly 8,000 buildings, offices and workers' houses in the estates. The Group has also invested in information technology to monitor the number of hours worked by workers at the estates. In other words, efforts are being made to monitor and improve labour conditions in order to reduce turnover.*

- 3) What is the purpose/usage of the funds to be raised on new shares issuance?

**Response from the Company**

*The purpose of Resolution 7 is to serve as a contingency plan in case the Company needs additional capital for acquisitions or other major projects. Although the allowable limit was up to 10% of total issued shares, the Board had capped it at 5% as they do not foresee the Company needing to raise funds above that level.*

*The Company has not issued any new shares pursuant to Sections 75 and 76 of the Companies Act 2016 under the general mandate approved by the shareholders in the past several years, but this Resolution is still tabled at the AGM every year as a precautionary measure.*

- 4) Have the Board conducted any comparable price assessment of the recurrent related party transactions ("RRPT") with other similar transactions with non-related parties?

**Response from the Company**

*The Group Internal Audit department conducts a yearly review of the RRPT, including the pricing of the RRPT to ensure that the transactions are entered into on fair terms and benchmarked at market value. Thereafter, a report of the assessment is tabled to the ARMC for review, followed by the Board's endorsement.*

- 5) Would the following ordinary resolutions contradict each other:

- (i) Ordinary Resolution 7 – Authority for Directors to issue and allot shares up to 5% of the total issued shares pursuant to the Companies Act 2016
- (ii) Ordinary Resolution 8 – Proposed renewal of the existing share buy-back authority

**Response from the Company**

*Share buybacks and allotment of shares are not contradictory in nature as that both are conducted for different reasons and at different timing. For share buybacks, the Company may buy back shares when the share price is low. For issuance of new shares, the Company can issue new shares for different strategic reasons.*

- 6) Have the remuneration committee done any assessment on the Board's remuneration with comparison with other similar size of public listed companies? If yes, how does the Group compare to others?

**Response from the Company**

*Yes, the Board's remuneration has undergone assessment by the GNRC to compare with other public listed companies.. The Company will also engage an external consultant every few years to evaluate the Board's remuneration level and benchmark it against other public listed companies.*

*The Board strives to maintain its remuneration level in the top 50% percentile of Malaysian public listed companies, taking into account the position of the Company as one of the large market capitalisation companies listed on Bursa Malaysia.*

- 7) Logistic cost of raw material is going up or going down? Since the Ukraine war, costs have gone up substantially. What is the forecast going forward?

**Response from the Company**

*The Russia-Ukraine war and the COVID-19 pandemic have both had a significant impact on logistic costs, particularly container shipping costs which rose as a result. Bulk shipping costs, though not affected by the said events, have also gone up recently.*

*However, it was difficult to forecast logistic costs due to its volatility.*

**Questions submitted from the floor**

- 1) Page 21 of the AR2023 mentions the Group's venture into palm wood manufacturing and the intention to scale up its production. Please provide the specific amount invested in this project, timeline for sales and production, and expected profitability from this business.

**Response from the Company**

*The Group had incurred an approximate cost of RM150 million for the palm wood factory, pre-operating cost and land. As for the future outlook and prospects for the palm wood business, this business is based on a brand-new concept where the Group is exploring the repurposing of waste materials, specifically oil palm trunks, to serve as substitute for timber in the construction and furniture industries. The vision for this palm wood business is more focused on medium to long-term goals rather than on short-term profits.*

*The palm wood factory commenced commercial operations in July 2023 after the commissioning of the palm wood factory in Segamat, Johor. The palm wood materials will first be marketed for interior doors and partitions manufacturing. Projected production was around 45,000 cubic metres per month and the expected selling price ranges from RM200 to RM250 per cubic metre. Management intended to focus on high-margin products for the time being, and to export palm wood materials once we have scoped the local market in terms of product quality, market constraints and potential issues from customers.*

*Profitability-wise, the priority for the time being is to ensure positive cash flow, while concurrently managing and controlling raw material and energy costs. The palm wood business is expected to be profitable by the next financial year.*

- 2) Page 21 of the AR2023 also mentions the Group's diversification into coconut planting, which involves a total of 1,471 hectares of coconuts planted as of June 2023. Why did the Group chose to venture into coconut planting and has the Board considered diversifying into other food crops to reduce Malaysia's reliance on imported food, considering the increase in global food prices?

**Response from the Company**

*Compared to oil palm, coconut cultivation has always been on a smaller scale. The Group's target for coconut planting was 5,300 hectares, whereas for oil palm, the Group had planted around 175,000 hectares. The reason the Group continues venturing into coconut cultivation because coconut oil is part of its oil portfolio offered to the customers. For instance, BLC sells coconut oil and sunflower oil in Europe, and the price for coconut oil was approximately 30% higher than palm oil. Coconut cultivation shared similarities with oil palm cultivation but is comparatively less labour-intensive.*

*As for fruit cultivation, the Group has banana and pineapple as cash intercrops with coconut. Food crops however are labour-intensive and hence, food crops are not suitable for long-term cultivation by the Company.*

- 3) Please provide more details on the Group's investment in the new refinery in the United States through the Company's 20%-owned associate company, BLC.

**Response from the Company**

*The Company had contributed USD30 million towards the new refinery, of which actual cost was USD180 million where part of it was funded internally. The acquisition of the new refinery by BLC was completed in March 2023. The Board expected to achieve an internal rate of return (IRR) of 18% for this refinery.*

- 4) In view that the Government had many initiatives and subsidies for biodiesel production and consumption, will the Group consider venturing into the biodiesel business?

**Response from the Company**

*Currently, the Group has no plans to venture into the biodiesel business.*

- 5) What are the Group's plans in terms of the 7Rs of Circularity (Rethink, Repurpose, Reduce, Reuse, Recycle, Repair and Recover) to promote sustainable use of resources?

**Response from the Company**

*The details of the Group's plans in terms of the 7Rs of Circularity were disclosed in the Annual Sustainability Report of the Company.*

- 6) As the Company is one of the leading member of the Roundtable on Sustainable Palm Oil ("RSPO"), what is the Company's position/response concerning issues related to palm oil, especially in competition with soybean oil and addressing Europe's negative perception towards palm oil?

**Response from the Company**

*The Company had joined the RSPO since 1995 as one of the founding members. Currently, the Company is not only RSPO certified but also holds the Malaysian Sustainable Palm Oil (MSPO) certification. Dato' Lee informed that he was a past chairman of the Malaysian Palm Oil Council ("MPOC"), as well as the current chairman of the Malaysian Palm Oil Association ("MPOA"). MPOA and MPOC, together with the Malaysian Palm Oil Board (MPOB) work together in addressing the challenges associated with the palm oil industry.*

*The Company had also appointed a new member of the Board, Datuk Zurinah. She was the former Secretary General of the Ministry of Plantation and Commodities, as well as the Ministry of Energy and Natural Resources and Ministry of Water, Land and Natural Resources (now combined into a single ministry known as the Ministry of Natural Resources, Environment and Climate Change). The Board was confident that this appointment would bring valuable insights to address the prevailing challenges and concerns within the palm oil industry.*

- 7) What is the outlook in terms of the planned export of palm wood materials?

*Although the potential market for palm wood is vast, the current priority now is to ensure that both quality and yield reach the optimum levels. The Management believed that there would be many opportunities for the palm wood business once it passed the startup stage. The Management would also evaluate the necessity of initially concentrating on the local market before expanding to overseas markets to achieve higher sales volumes.*

- 8) For the oleochemical segment, what is the current utilisation rate and what are the strategies to expand the oleochemical business moving forward, considering that traditional sales agents have been used in the past?

*The GMD requested that the response to this question be referred to the answer provided for the third question posed by MSWG.*

*Over the past 26 years, since the Group acquired the Acidchem entity in 1997, the oleochemical segment has undergone several changes in its sales and marketing distribution channels. Nevertheless, the Group is one of the pioneers in the local oleochemical market and has consistently been among the most profitable companies in the region.*

- 9) How do we interpret the net fair value loss on derivative financial instruments (page 17 of AR2023)? Does such fair value loss involves actual cash outflow?

**Response from the Company**

*In any well-managed manufacturing company, fair value gains or losses on derivative financial instruments would inevitably be incurred, given the absence of speculative transactions. Such gains or losses are attributable to forward contracts, the latter which serve as a hedge against volatile market prices by locking in a specific price of a commodity for sale at a future date. For example, if a forward contract locks the selling price at today's price and the market price subsequently rises at the time of reporting, a fair value loss is recognised.*

*To enable shareholders to better understand the Group's profitability, the Board has always disclosed the reconciliation between the PBT as reported in the statement of profit or loss and the underlying PBT which excludes non-operating and one-off items.*

- 10) What is the anticipated dividend distribution for FY2024?

**Response from the Company**

*The Company's dividend policy is to distribute at least 50% of the Company's profit after tax, amortisation and minority interest annually. Although the Group distributed record dividends of more than RM800 million in FY2022, it is expected for FY2024 dividend distribution to hover around RM600 million only.*

- 11) Can the Company provide insights or comments on the current share price?

**Response from the Company**

*If the share price falls beyond a low level, the Company will perform share buyback(s) as the means of stabilising the share price. Although stockbrokers and analysts have issued "buy" recommendations to investors for the Company's shares, market sentiment remains poor.*

- 12) What is the outlook for the plantation business in FY2024? Are there any plans for expansion, particularly into technology or new businesses?

**Response from the Company**

*The Company always explores new business opportunities. However, the new ventures should not deviate significantly from the Group's existing core business. Such new ventures should align with the Group's 5-Year Plan (2020 – 2024), focusing on non-CPO but related products such as palm wood, paper pulp made from empty fruit bunch fibres, and coconut oil.*

- 13) What is the total shareholding of the Company in Eglinton Investments Pte Ltd ("Eglinton"), and what is the average cost per share held by the Company in Eglinton (pages 160 and 161 of AR2023)?

**Response from the Company**

*Eglinton is the Company's wholly-owned subsidiary engaged in the investment holding business mainly in Singapore. The additional redeemable preference shares issued by Eglinton to the Company were to capitalise the inter-company loans previously extended by the Company to Eglinton. These redeemable preference shares are regarded as equity instrument without fixed coupon rate.*

- 14) What is the potential impact, if any, on the Company in regard to the currently ongoing war in the Middle East?

**Response from the Company**

*The war in the Middle East has no impact on the Company as we do not export to this region.*

- 15) Is the Group's venture into coconut planting still at the planning stage, or the coconut trees have already been planted? Does the Group intend to produce coconut oil as a substitute for olive oil?

**Response from the Company**

*Our intention is to produce coconut oil for industrial use and not for consumer use for the time being. The Group has already planned 1,471 hectares of coconuts, and its target is to plant another 1,807 hectares next year.*

After all questions were answered, the Chairman thanked the shareholders and declared the Q&A session closed.

## **19.0 POLL VOTING**

The Chairman informed that additional 5 minutes would be allocated for all resolutions to be voted on by poll and another approximately 5 minutes for the Administration and Polling Agent to conduct the poll vote count and for verification of the poll results by the Independent Scrutineers.

## **20.0 DECLARATION OF POLL RESULTS**

The Chairman called the Meeting to order for the declaration of the poll results. The Chairman invited the Company Secretary to read out the poll results for each ordinary resolution, as follows:-



**IOI Corporation Berhad [196901000607 (9027-W)]**  
**Minutes of the Fifty-Fourth Annual General Meeting held on 27 October 2023**

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Resolutions	Voted For		Voted Against	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 1</b>  Re-election of Lim Tuang Ooi retiring pursuant to Article 97 of the Company's Constitution	5,347,432,707	99.9917	446,169	0.0083
<b>Ordinary Resolution 2</b>  Re-election of Datuk Zurinah binti Pawanteh retiring pursuant to Article 97 of the Company's Constitution	5,347,838,702	99.9995	28,268	0.0005
<b>Ordinary Resolution 3</b>  Re-election of Dato' Lee Yeow Chor pursuant to Article 91 of the Company's Constitution	5,341,973,553	99.8898	5,893,517	0.1102
<b>Ordinary Resolution 4</b>  Directors' fees of RM1,450,000 for the financial year ending 30 June 2024 payable quarterly in arrears after each month of completed service of the Directors during the financial year	5,347,456,163	99.9932	365,642	0.0068
<b>Ordinary Resolution 5</b>  Directors' benefits of up to RM280,000 for the period from 28 October 2023 until the next Annual General Meeting	5,346,838,561	99.9918	437,343	0.0082
<b>Ordinary Resolution 6</b>  Re-appointment of BDO PLT as Auditors for the financial year ending 30 June 2024	5,342,611,451	99.9017	5,254,338	0.0983
<b>Ordinary Resolution 7</b>  Authority for Directors to issue allot and issue shares up to 5% of the total issued shares pursuant to the Companies Act 2016	4,046,055,260	75.6574	1,301,809,311	24.3426

**IOI Corporation Berhad [196901000607 (9027-W)]**  
**Minutes of the Fifty-Fourth Annual General Meeting held on 27 October 2023**

Resolutions	Voted For		Voted Against	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Resolution 8</b>  Proposed renewal of existing share buy-back authority	5,336,007,169	99.7853	11,479,233	0.2147
<b>Ordinary Resolution 9</b>  Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature	2,205,213,197	99.9809	420,205	0.0191

The Chairman declared that based on the poll results, all of the following 9 Ordinary Resolutions tabled at the Meeting were duly carried:-

- 20.1 "THAT Lim Tuang Ooi, retiring pursuant to Article 97 of the Company's Constitution and being eligible, be hereby re-elected as a Director of the Company."
- 20.2 "THAT Datuk Zurinah binti Pawanteh, retiring by rotation pursuant to Article 97 of the Company's Constitution and being eligible, be hereby re-elected as a Director of the Company."
- 20.3 "THAT Dato' Lee Yeow Chor, retiring by rotation pursuant to Article 91 of the Company's Constitution and being eligible, be hereby re-elected as a Director of the Company."
- 20.4 "THAT the payment of Directors' fees (inclusive of Board Committees' fees) of RM1,450,000 for the financial year ending 30 June 2024 payable quarterly in arrears after each month of completed service of the Directors during the financial year be hereby approved."
- 20.5 "THAT the payment of Directors' benefits (other than Directors' fees) of up to RM280,000 for the period from 28 October 2023 until the next Annual General Meeting be hereby approved."
- 20.6 "THAT BDO PLT be hereby re-appointed as Auditors of the Company for the financial year ending 30 June 2024 AND THAT the Audit and Risk Management Committee be authorised to fix their remuneration."
- 20.7 "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "Act"), the Board of Directors (the "Board" or the "Directors") be hereby authorised with full powers to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as they may deem fit subject always to the approval of the relevant authorities being obtained for such issuance and allotment provided that the aggregate number of shares to be issued and allotted pursuant to this resolution does not exceed five percent (5%) of the total number of issued shares (excluding treasury shares) [the "New Shares"] of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so allotted (the "Mandate").

AND THAT in connection to the above, pursuant to Section 85 of the Act read together with Article 55 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered New Shares and the Company be given the approval to disapply the statutory pre-emptive rights conferred upon the shareholders of the Company and that the Directors is exempted from the obligation to offer such New Shares first to the existing issued shareholders of the Company arising from any issuance of the New Shares ranking pari passu with the existing shares, pursuant to the Mandate.”

- 20.8 “THAT subject to compliance with applicable laws, regulations and the approval of all relevant authorities, approval be hereby given to the Company to utilise up to the aggregate of the Company’s latest audited retained earnings, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“Bursa Securities”) upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and/or held by the Company pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of purchase (“Proposed Purchase”);

THAT at the discretion of the Directors of the Company, the shares of the Company to be purchased are to be cancelled and/or retained as treasury shares which may be distributed as dividends and/or resold on Bursa Securities and/or be dealt with by the Directors in the manners allowed by the Companies Act 2016;

THAT the Directors of the Company be hereby empowered generally to do all acts and things to give effect to the Proposed Purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities and/or do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company;

AND THAT such authority shall commence immediately upon passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities.”

- 20.9 “THAT subject always to the provisions of the Companies Act 2016 (the “Act”), the Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations involving the interests of Directors, major shareholders or persons connected to the Directors and/or major shareholders of the Company and its subsidiaries (“Related Parties”), as detailed in

**IOI Corporation Berhad [196901000607 (9027-W)]**  
**Minutes of the Fifty-Fourth Annual General Meeting held on 27 October 2023**

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Part B, Section 4 of the Circular to Shareholders of the Company dated 29 September 2023 ("Shareholders' Mandate") subject to the following:

- (i) the transactions are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless renewed by a resolution passed by the shareholders of the Company in a general meeting;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Act (*but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act*); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier,

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

## **21.0 CLOSURE OF MEETING**

The Chairman thanked all present at the Meeting for their attendance and participation at the Meeting. He also recorded the Board's appreciation to Mr Cheah and Tan Sri Dr Rahamat as they officially retired from the Board.

The Meeting concluded at 12.40 p.m. with a vote of thanks to the Chairman.

Confirmed

**Tan Sri Peter Chin Fah Kui**  
Chairman

Date: 27 October 2023



**IOI GROUP**

Appendix I

# 54<sup>th</sup> Annual General Meeting

27 October 2023

*Presented by Group CFO Mr. Kong Kian Beng*





IOI GROUP

# Group Financial Performance Overview

	Year ended 30 June		
	FY2023 RM Million	FY2022 RM Million	Variances (%)
Revenue	11,583.8	15,578.7	(26)
Profit before Interest and Tax (PBIT)	1,815.5	2,494.2	(27)
Profit before Tax (PBT)	1,526.0	2,352.6	(35)
Underlying PBT*	1,764.3	2,547.7	(31)
Profit after Tax (PAT)	1,130.0	1,768.9	(36)
Basic EPS (sen)	17.95	27.74	

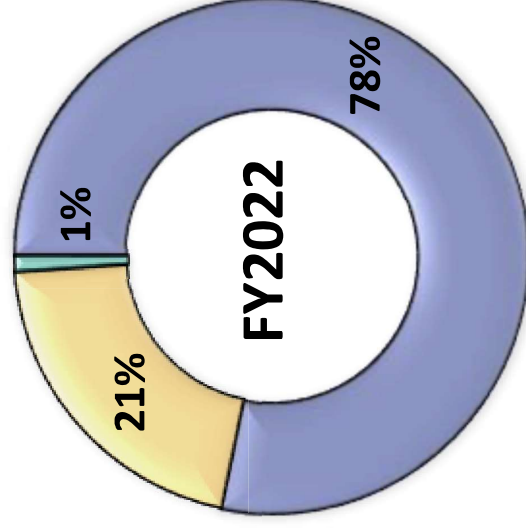
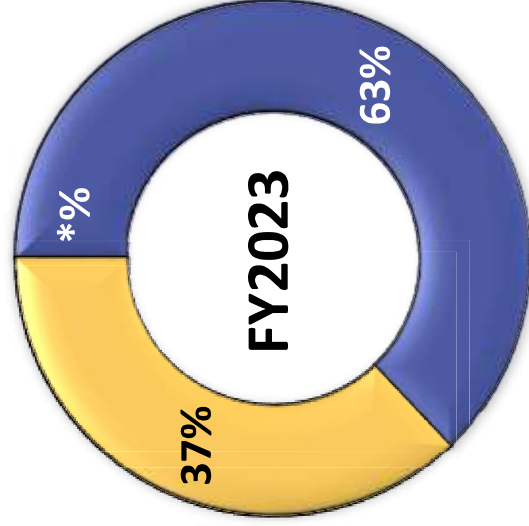
\*exclude non-operating and one-off items





IOI GROUP

## Segment Profit



■ Plantation  
■ Resource-based  
■ Manufacturing  
■ Others

\* Negligible

### Year ended 30 June

FY2023 RM Million	FY2022 RM Million	Variances (%)
1,151.3	2,084.2	(45)
691.0	537.3	29
(1.1)	10.7	nm

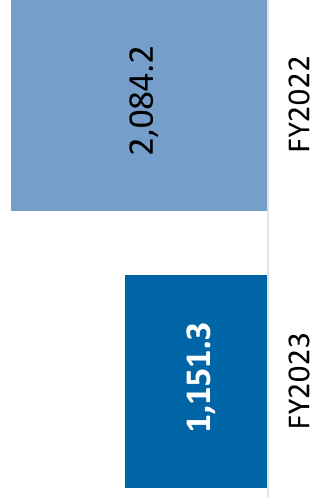


IOI GROUP

## Segment Profit – Plantation

Segment profit (RM Million)

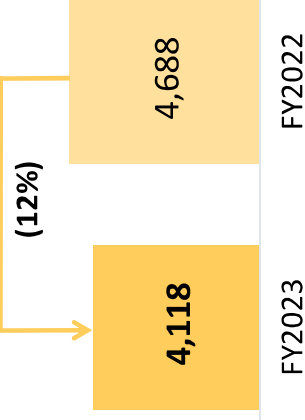
↓ RM932.9 mil (45%)



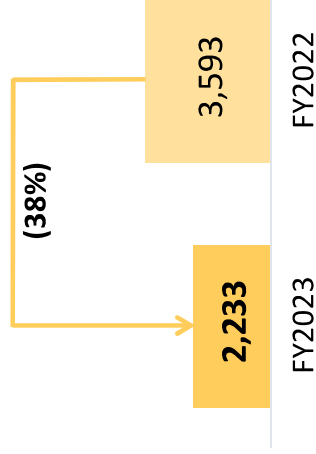
**Lower profit mainly due to:**

- Lower commodity prices
- Higher cost of production
- Lower share of associates results due to lower commodity price

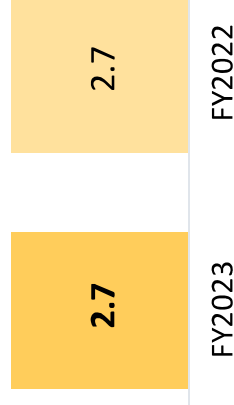
CPO Average selling price (RM/MT)



PK Average selling price (RM/MT)



FFB Production (Million MT)

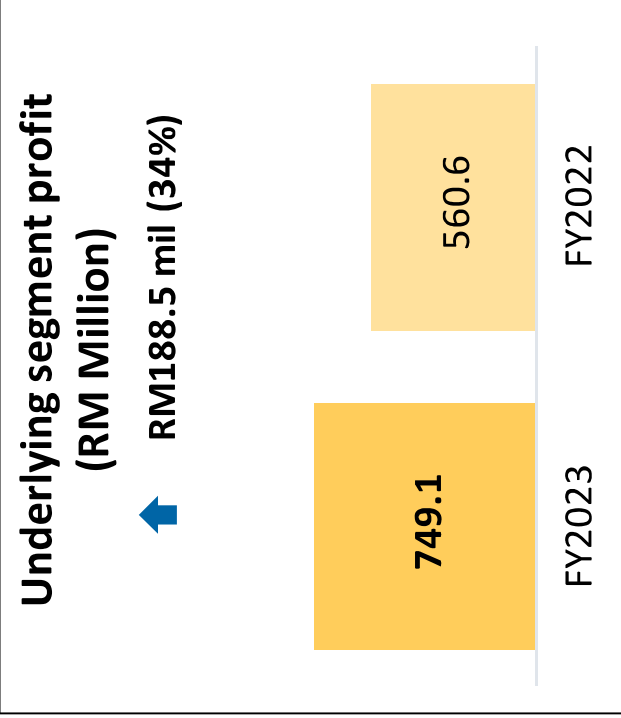
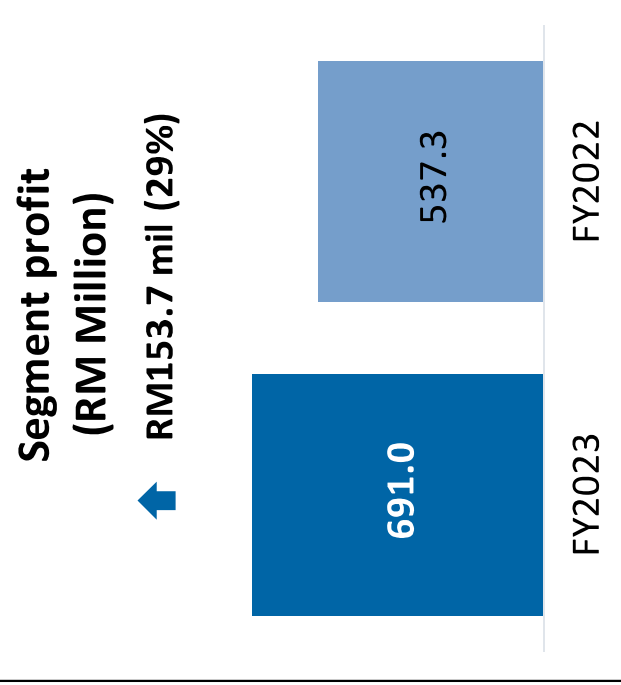






IOI GROUP

# Segment Profit – Resource-based Manufacturing



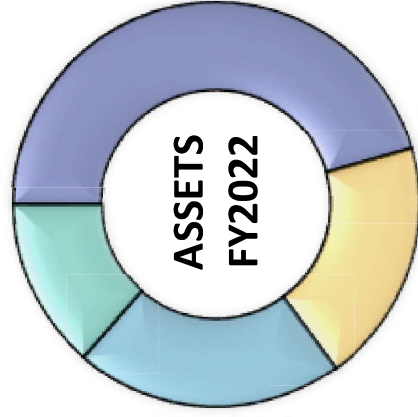
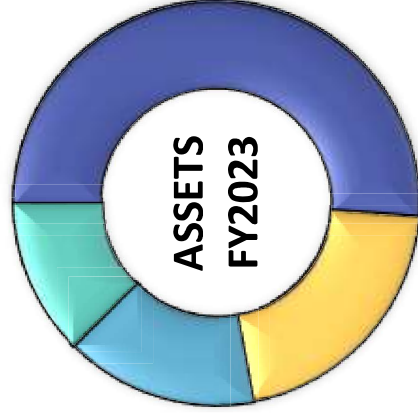
**Higher underlying profit**  
**mainly due to:**

- Higher margins from refining sub-segment
- partially offset by:
  - Lower margins from the oleochemical sub-segment



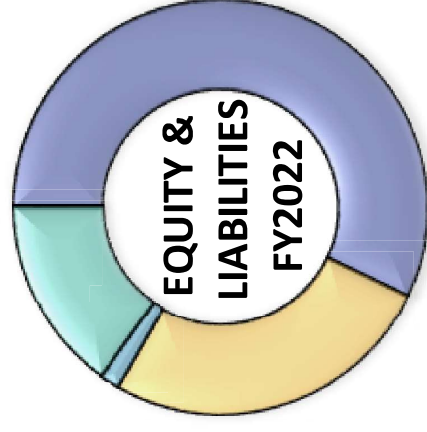
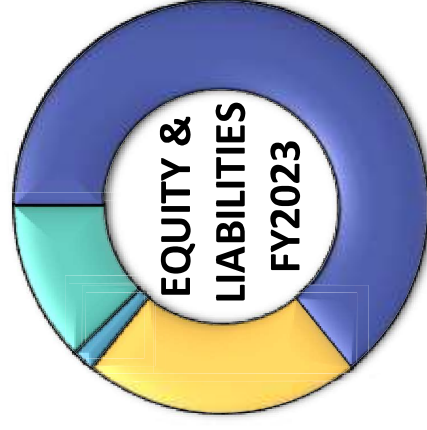
IOI GROUP

# Balance Sheet



## Assets

- Property, plant and equipment
- Other long term assets
- Other short term assets
- Cash and cash equivalents



## Equity and Liabilities

- Equity
- Borrowings
- Non-controlling interests
- Other liabilities

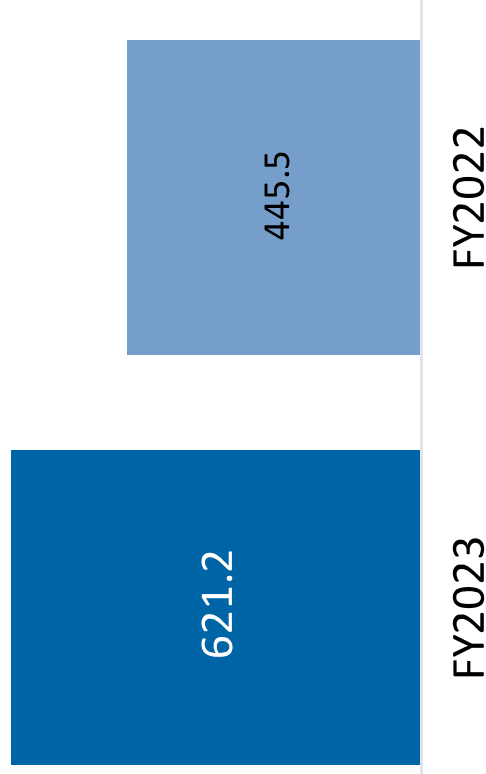
Year ended 30 June		
	FY2023	FY2022
	RM billion	RM billion
	9.0	8.7
	3.7	3.7
	2.7	4.1
	2.2	2.6
	17.6	19.1
	11.3	10.9
	3.8	5.0
	0.3	0.3
	2.2	2.9
	17.6	19.1
	13.99%	22.80%

Net Gearing =

# Capital Expenditure

## Capital Expenditure (RM Million)

↑ RM175.7 mil (39%)



### Higher capital expenditure mainly due to:

- Higher replanting and new planting cost due to higher planting area
- Higher expenditure on mechanisation and digitalisation
- Completed construction of IOI Palm Wood factory



IOI GROUP

## Equity Repayments

- Total Dividend declared for the financial year ended 30 June 2023:  
**11 sen per share**

FY2023	
	RM Million      sen per share
1st interim Payment on 24 March 2023	372.4      6.0
2nd interim Payment on 22 September 2023	310.2      5.0
	<hr/>
	682.6      11.0

- Share Buy Back during FY23 at an average price of RM3.71 per share for a total consideration of approximately RM 34.4 million.



# Thank You





**IOI GROUP**

Appendix II

# IOI's Sustainability Journey Forward

*Dr. Surina Ismail,  
Group Head of Sustainability, IOI Corporation Berhad  
October 27, 2023*





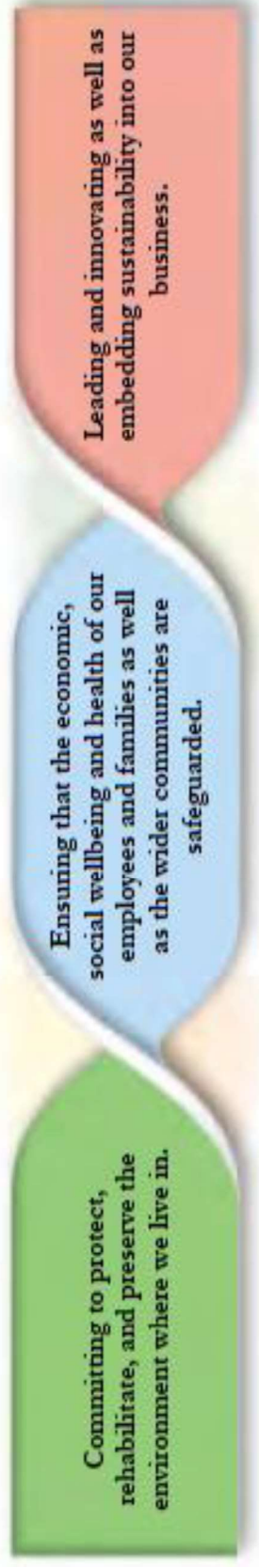
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# IOI's Approach to Corporate Sustainability

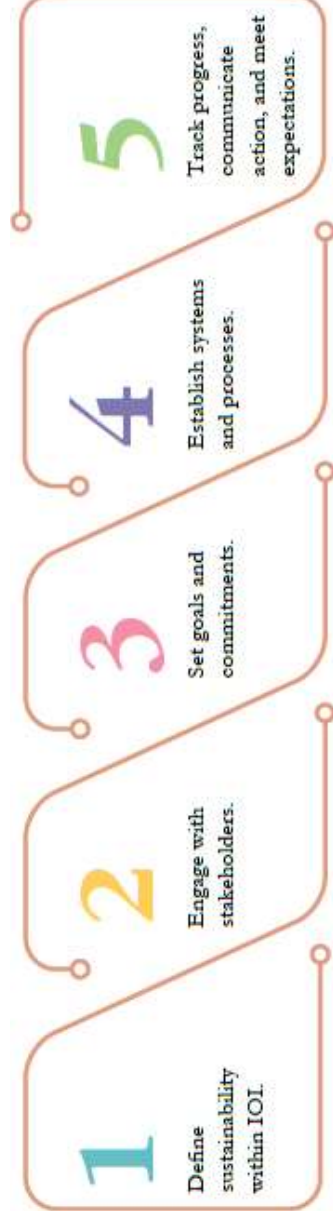
## *Vision, Pillars & Approach to Sustainability*

### Sustainability Vision

We should meet the needs of the present without compromising that of the future generations by:



IOI's Corporate Sustainability and 3 Pillars of Sustainability: A business strategy (economic pillar) for the **PROSPERITY** of the company (long-term growth) that works in harmony with **PEOPLE & PLANET** (3Ps)



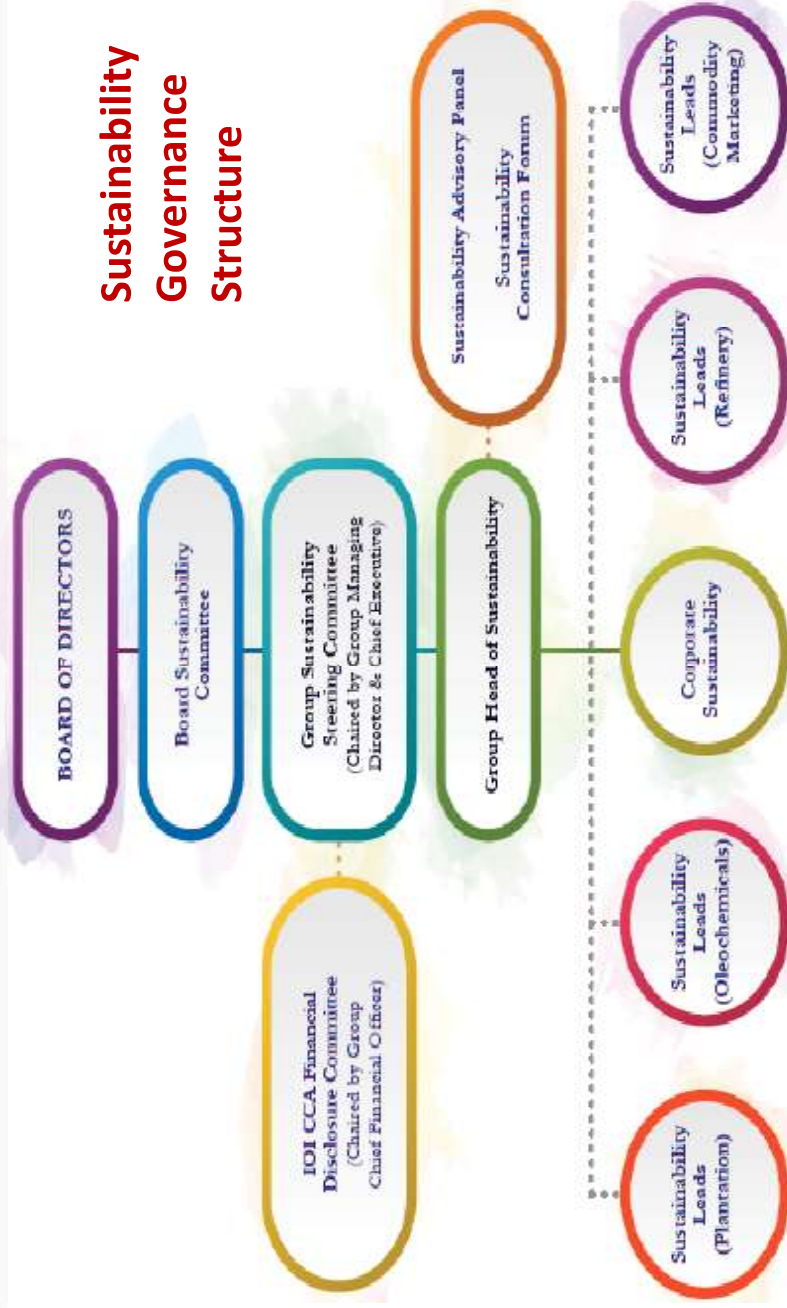
### Approach to Sustainability

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# IOI's Approach to Strong Governance

## *Integration of Corporate Governance*



Adopted 6 UNSDGs most relevant to our business



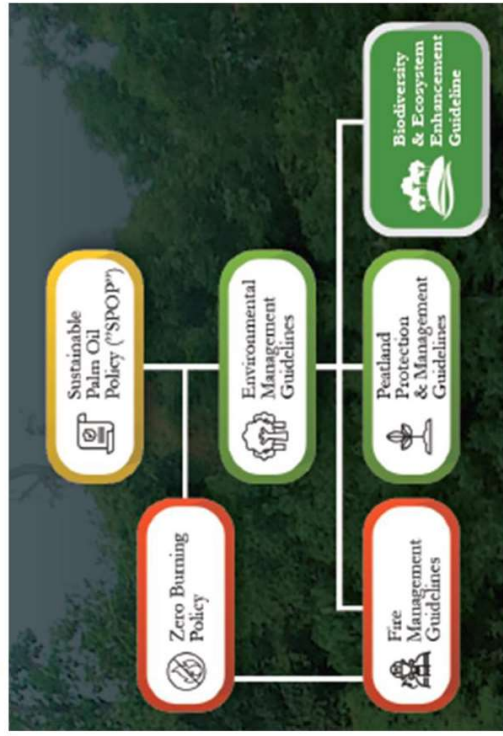




IOI GROUP

# IOI's Approach on Environment

## Environmental Management Policies & Guidelines



### RELeaf project

- Ongoing collaboration with Nertle on rehabilitation of upstream buffers of the Kuching River near our estates and completed tree planting in some of our area.
- Native saplings and seedlings will be used under the recommendation of Forestry Consultancy.
- All saplings and seedlings to be sourced from local communities to increase and promote local, social inclusivity.

*100 Plantations and Nurture Project RELeaf have completed the field survey in November 2021 and June 2022, respectively.*

### Laran Tree Planting Project

1. Introduced in flood-prone areas in Sabah's Syamao 4 estate to facilitate rehabilitation.
2. Initial site survey was completed and the project has transitioned to the rehabilitation phase.
3. Positive biodiversity impacts were noted through sightings of wildlife like the Sunbear Deer and Rufous-shielded Shrike at the site.
4. Fruit trees that promote native wildlife return were found within the project site.

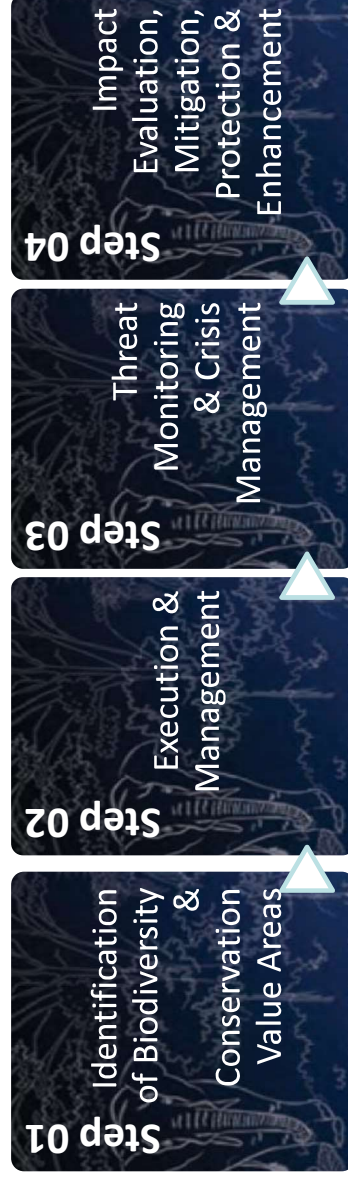
*Picture of a Sunbear Deer (Left) and Rufous-shielded Shrike (Right) found within the project site.*

### Orangutan & Proboscis Monkey conservation in Sabah and Kalimantan

1. Ongoing collaboration with Balai Konservasi Sumber Daya Alam ("BKSDA") for orangutan conservation by signing our MOU.
2. Activities include allocation of orangutans to their habitat, continuous species monitoring and capacity building for staff members to handle human-wildlife conflict.
3. Collaboration since 2019 with HUTAN-Kuching Orangutan Conservation Programme ("KOCP"), the Palau Oil & NGO ("PONGO") Alliance & Sabah wildlife on monitoring the orangutan and Proboscis monkey population in Sabah.

*Picture of Proboscis Monkey and Orangutan in our area of PT BLS*

## Biodiversity & Ecosystem Enhancement Guideline



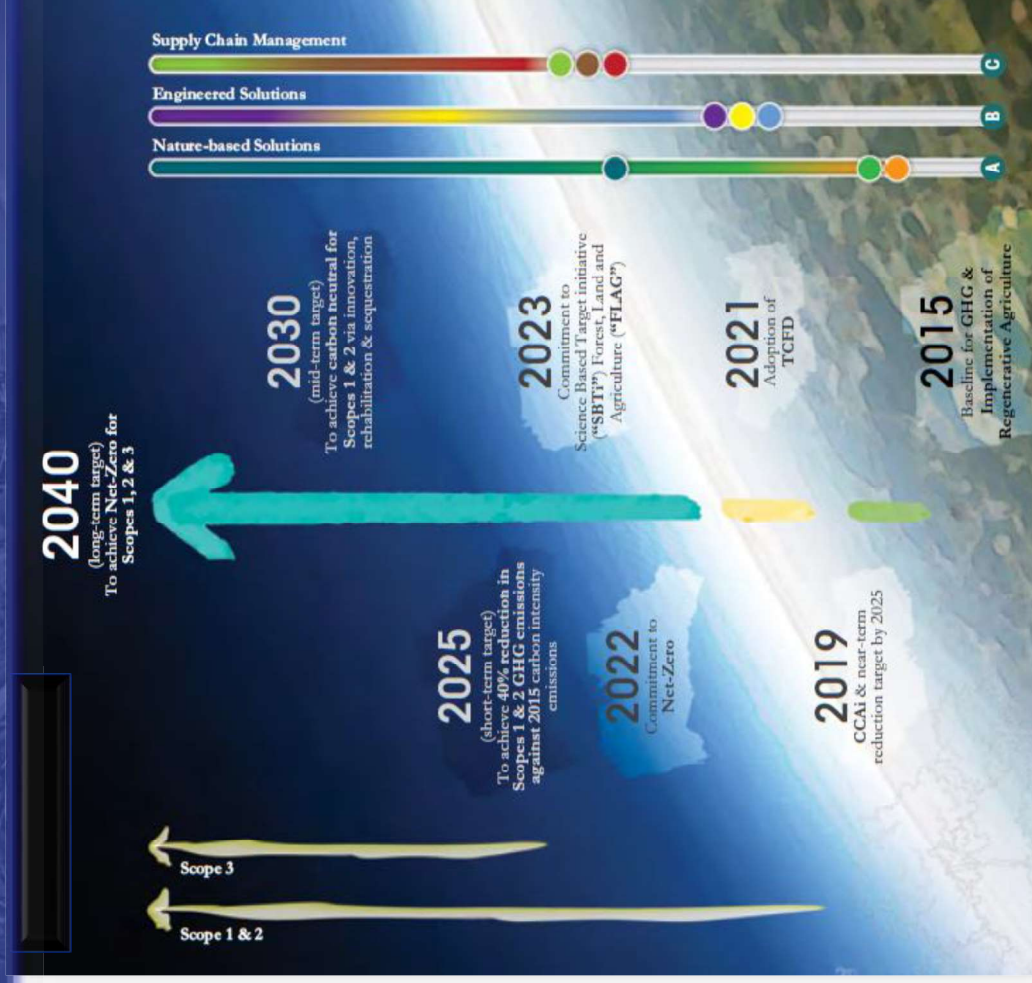
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IOI GROUP

# IOI's Corporation KPI on Climate Change

Alignment with TCFD & SBTi FLAG – Pathway to Net Zero by 2040



## Nature-based Solutions

- No Deforestation, No New Planting on Peat, & No Social Exploitation ("NDPE")
- Reforestation, Rehabilitation & Protection of Conservation Areas
- Enhance Biodiversity & Ecosystem



## Engineered Solutions

- Technology & Innovation
- Renewable Energy
- 7Rs of Circularity



## Supply Chain Management

- Supplier Awareness & Capacity Building
- Climate-related Procurement Standards & Principles
- Efficient Green Supplier Selection Process

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# IOI's Approach on Social Issues

*Mitigating Social Issues – Social Impact Assessment (SIA)*

## LABOUR RIGHTS

- Fair & Decent Wages
- Harassment Free & Grievance Mechanism
- Leave pay
- Housing & Amenities

## EMPLOYMENT PROCESS

- Pre-employment -recruitment
- Employment – contract; training, etc.
- Post-employment

## CHILDREN'S/ WOMEN'S RIGHTS

- Women & Empowerment
- Health & Education

## RIGHTS OF LOCAL COMMUNITIES

- FPIC
- Work Opportunities
- Community Development

# IOI's Digital Transformation Programs

*Initiatives to help prevent Force & Child Labour*



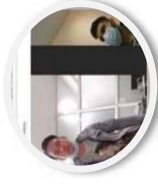
## Implementation of SAP ERP system

- Standardisation on wages, working hours/overtime, headcounts and employment status



## Digital Grievance Application : IOI Mesra

- 24/7 app for the workers to report any grievances anonymously



## Direct Online Interview during Recruitment Process

- To combat forced labour indicators during recruitment in the source country



## Online Assessment for Pre-alert Grievance System

- Additional step to bridge any gaps regarding our worker's welfare and well-being



## Digital E-wallet System for Money Transfer

- To provide systematic salary disbursement to our workers through digital banking platform



## Child Education Initiative: Pledge to ILO 2021

- 2021 -Year for the Elimination of Child Labour – On-going “Countering Child Labour through Education - Zero Cost Full Day Education for our workers’ children in Sabah



IOI GROUP

# Thank You for your Attention